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Retford Currency Society

Second address to the
farmers of England

[London]

[1851]

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Retford Currency Society.

SECOND ADDRESS TO THE FARMERS OF ENGLAND.

“A decrease of the quantity of Money produces the same effect on the price of a commodity, as an increase of the quantity of the commodity itself; if CORN be that commodity, an addition to the value of Money, such as the diminution of its quantity occasions, ensures as effectually a fall in the price of Corn, as the Opening of the Ports and Free Importation,”—Sir James Graham’s *Corn and Currency*.

EVERY man ought to know something, and to know it correctly, of the laws which govern *Money*—the circulating medium of exchange—in his own country. Many may be inclined to say that the Currency Question can have nothing to do with the *Farmer*. The Currency Question is often called a banker’s question. Men of business, commercial men and traders, may be interested in it ; but what, it is said, can farmers have to do with monetary science ? Now consider for a moment what the business of a farmer is. He raises crops ; he breeds cattle ; it is his business to cultivate his land in the best possible manner. And what is the best manner ? Why it is the most *profitable* manner. That is the *best* manner for his landlord, for himself, and for his labourers. And how is his *profit* to be ascertained ? Why, by the *money* which he obtains for his produce. He *sells* his produce ; that is, instead of bartering away the part of his corn and cattle which he does not want to consume, for clothes and the necessaries of life, he *buys money with it*, knowing that money will exchange for every thing which he wants. A farmer has also many fixed *money* payments. His rent, his taxes, his tythe, his rates,—all these he is obliged to pay in *money*. Money is, in short, one half of every bargain made by the farmer, as well as by men in trade. Is it not, therefore, of the greatest importance to the farmer not only to attend to his crops and his cattle, but also to the laws which regulate the supply of that in which he is paid for both ? Suppose that, just at harvest

time, government were to send out and destroy *half* the standing corn, that would surely enhance the price of the remainder. But suppose government withdraws one-half of the *money* which the country has to pay for it, surely that will greatly lower the price of the crop. And thus all the skill and labour of the farmer may, as far as his own interest is concerned, be thrown away. His rent, tithe, taxes, and rates remaining the same, a withdrawal of the circulating medium may so lower prices as to sweep away the whole of his profits—or even to cause him to cultivate the soil at a loss. Upon abstract principles, then, we see the importance of the monetary question to the farmer.

Now let us consider the practical bearing of this question upon the *English Farmer* in the year 1851, and to do this we must look back a little. To the *English Farmer*, every thing affecting the circulating medium is extremely important, because his fixed money payments are on so high a scale. The war left us in 1815 with a National Debt entirely unprecedented in the history of the world. The funded and unfunded debt on the 5th of January, 1816, was stated by the Committee of the House of Commons, to be £885,186,324. This might well be called enormous. Sir Robert Walpole had said, "When the debt reaches 100 millions, the nation will be bankrupt." At the breaking out of the French Revolution the debt was 260 millions; so that 625 millions were added from 1793 to 1816. During this time, what had been the state of the English farmer? His fixed money payments had constantly been increasing—his taxes rose enormously—his rents and rates also. But the monied price of his commodities also rose. From 1689 to 1764 (76 years), the average price of Wheat was 37s. 9d. a quarter. From 1765 to 1793, it was 49s. 5d. a quarter. But after the Bank Restriction Act of 1797, when the *quantity of money began to be greatly increased*, the price of corn rose rapidly. Taking the average of wheat from 1794 to 1820, it was 87s. 10d. a quarter. From 1809 to 1820, it was 98s. 9d. a quarter. Nothing is more frequently said than that the *war* was the cause of this enormous rise of price. No doubt the obstruction

of intercourse raised the price somewhat higher than it would, at times, have been; but it was not war which mainly or principally raised the price, for never, under any circumstances of war or peace, had corn for an average of five years been more than 50s. a quarter in this country. But we ask any one who says that the war raised the price of corn, this simple question—where did the money come from to pay that price? Here was corn nearly doubled in price—how could the country afford to carry on an expensive war, to pay heavy taxes, to suffer all the evils of suspended commerce, to raise large loans for the government, and to pay nearly double the price for its food? It was the *Paper Currency* which enabled the country to do all this, and to pay the high price which it did for corn, and all other commodities. The people cannot give a high price if they have not got the money. The people must have done without bread corn—must have lived upon inferior food, as they did during former wars—had there not been a supply of paper money, which enabled them, when all their gold and silver was sent abroad, to carry on their home trade, to increase their capital, to labour and enjoy the fruits of their labour, by means of this new and most important instrument of exchange—*Paper Money*. Labour creates wealth. There was plenty of real wealth in the country during the war, because there were plenty of hard-working men toiling daily to increase the nation's resources. The forge, the loom, the plough, daily added to the wealth of the people. That small portion of the national prosperity which lay in gold and silver was drained away, and when brought back from abroad was soon sent out again; but the great mass of the nation's wealth remained, and the great use of the circulating paper medium which we had adopted was to facilitate the distribution of this wealth amongst ourselves, to be of use in the collection of the taxes, to discharge, in a word, as it most efficiently and beneficially did, the *functions of Money*.

But what was the course pursued by this country after the Peace of 1815? We returned to cash payments; we attempted to do away with that system of paper currency in which our enormous debt was contracted, and we

adopted a gold standard, the highest standard of money that could be adopted, and which was never the standard of value in this country before ; and we did this just at the worst possible time, viz.—when we were enormously *in debt*. The Debt was thus nearly doubled at a stroke. We engaged to pay in goods, in corn, and in labor, nearly twice the amount of the money we had borrowed. The quantity of money being greatly diminished, prices fell ; corn declined nearly one-half ; every man who had taken a lease, or contracted a mortgage, found that he had thereby signed his ruin. Farmers, about 1819, were ruined by thousands ; for this plain reason—that they were subject to fixed money payments calculated on a high scale of prices, which they had to discharge with their produce forced down, by the diminution of the circulating medium, to a low scale of prices. All the producing classes, traders and manufacturers, suffered from the same cause ; and then commenced that destructive warfare of the different classes of society, which has been going on to the present time. And this contest of classes will continue till England's power and wealth are destroyed, unless this great evil, *a bad monetary system*, be reformed. Whenever the *principle* of Peel's Bills have been fairly carried out, and the circulating medium has been reduced, distress and ruin have followed : whenever the *principle* has been departed from, or suspended—as it has repeatedly been by government through fear of the consequences—and the money of the country has been allowed to become adequate to the country's wants, a period of comparative prosperity has occurred.—Let us, then, learn wisdom by past and bitter experience—let no class of the community imagine that they are to be benefited by injuring any other class of their fellow-countrymen—but let all unite against the common enemy, viz.—the *absurd and ruinous monetary system established by PEEL'S BILLS OF 1819 AND 1844.*

LONDON :

SIMPKIN, MARSHALL, AND CO. STATIONERS' HALL COURT; AND
SKEFFINGTON AND CO. 192, PICCADILLY.

AND A. METCALFE, RETFORD.

1851.

M. H. 25284

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